



STATE OF OKLAHOMA

**WORKERS' COMPENSATION COMMISSION**

M I N U T E S

of the

WORKERS' COMPENSATION COMMISSION

FOR THE STATE OF OKLAHOMA

for the

June 21, 2016

Special Public Meeting

MINUTES OF THE MEETING OF THE WORKERS' COMPENSATION COMMISSION  
FOR THE STATE OF OKLAHOMA

The members of the Workers' Compensation Commission for the state of Oklahoma met at 1915 N. Stiles Ave., Oklahoma City, Oklahoma, on June 21, 2016.

Members present: Chairman Gilliland, Commissioner Liotta, and Commissioner Young.

Others in attendance on behalf of the Commission: Kim Bailey, Steven Barker, Jennifer Reeves, Stormy Moore, Dr. Jay Cannon and Tiffany Pratt.

The meeting was called to order at approximately 1:30 p.m.

**Approval of Minutes**

Chairman Gilliland presented the minutes of the June 9, 2016 public meeting for approval.

**Motion:** Commissioner Liotta moved to approve the minutes of the June 9, 2016 public meeting.

**Second:** Commissioner Young.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

***The motion carried.***

**1. Commission Approval of Group Self-Insurance Applications for New Membership**

*Commission Rule 810:25-11-3 states a new membership to a self-insurance group may not become effective without Commission approval. All applications for membership are filed with the Commission. The application includes evidence of the execution of the indemnity agreement, power of attorney, and joint and several liability agreement, as required by 810:25-11-15, with signed approval of the applicant by the association, and is accompanied by a current balance sheet and income statement. The following is the applicant and the self-insurance group association to which it is applying for membership:*

**Oklahoma Operators Self-Insurers Fund (#75292)**

Hermosa East, LLC.

Stormy Moore, Insurance Director, made a presentation and recommended approval.

**Motion:** Commissioner Liotta moved to approve application of Hermosa East, LLC to Oklahoma Operators Self Insurers Fund (#75292).

**Second:** Chairman Gilliland.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

**2. Discussion and Consideration of Distribution of Surplus Monies to Members of the Oklahoma Operators Self-insurers Fund (#75292)**

*Oklahoma Operators Self-Insurer's Fund (Group), a group self-insurance association, is requesting a partial distribution back to its members in the amount of \$540,000 from Fund years 2012 (\$480,000) and 2011 (\$60,000). All claims for these fund years are closed. The Group had a financial surplus of more than \$1,721,080 for all years combined for the period ending December 31, 2015. Commission Rule 810:25-11-10 states that any surplus monies may be declared refundable by the association's board. The date and manner of the distribution shall be declared by the association's board and shall be in accordance with the association's bylaws. The board shall submit the distribution request to the Commission, with all supporting documents. The Commission considered approving the distribution of surplus monies to members of the Oklahoma Operators Self-insurers Fund.*

Stormy Moore, Insurance Director, made a presentation and recommended approval.

**Motion:** Chairman Gilliland moved to approve the distribution of surplus recommended by Insurance Director in the total amount of \$540,000 to the members of Oklahoma Operators Self-insurers Fund.

**Second:** Commissioner Young.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

**3. Discussion and Consideration of Approval of Commission's FY17 Budget**

The Commission considered approval of the FY17 Budget, as proposed.

Chief Financial Officer, Jennifer Reeves, presented the budget and made a recommendation to approve.

**Motion:** Commissioner Liotta moved that the Commission approval the FY17 Budget, as recommended.

**Second:** Chairman Gilliland.

Those voting aye: Commissioner Liotta, Commissioner Young and Chairman Gilliland.

**The motion carried.**

Chairman Gilliland commended Ms. Reeves for her diligent work on this year's budget.

**4. Proposed Contract between the Commission and Office of Management and Enterprise Services (OMES) Agency Business Services (ABS)**

The Commission discussed and considered a proposed contract engaging the services of ABS for FY-2017.

Executive Director Kim Bailey was recognized to report and recommended approval.

**Motion:** Chairman Gilliland moved to approve the contract engaging the services of ABS for FY-2017.

**Second:** Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

Chairman Gilliland commended Executive Director Bailey for her diligent work on the project.

**5. Discussion and consideration of Proposal (RFP) for Commission File Folders for FY17**

The Commission discussed and considered approving the proposed RFP and to award the bid to Southwest Solutions Group for Commission file folders for FY17.

Chief Financial Officer Jennifer Reeves was recognized to report and make a recommendation.

**Motion:** Commissioner Liotta moved to approve the RFP and to award the bid to Southwest Solutions Group as recommended.

**Second:** Chairman Gilliland.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

**6. Consent Agenda for Travel Vouchers Currently Outstanding**

*85A O.S. §23 states any commissioner or employee of the Commission shall be entitled to receive his or her necessary traveling expenses as provided in the State Travel Reimbursement Act. The expenses shall be certified by the person who incurred them and shall be allowed and paid on presentation of vouchers approved by the Commission. In accordance with this section, the Commission considered a vote to approve the currently outstanding vouchers.*

**Motion:** Commissioner Liotta moved to approve the travel vouchers.

**Second:** Chairman Young.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

**7. Executive Session for Confidential Communications Between the Commission and Its Attorneys Concerning Ongoing Bankruptcy Involving Seventy Seven Energy, and Related Determination Regarding the Bankrupt Status as the Impaired Self-Insured, Pursuant to Title 25 O.S. § 307(B)(4)**

Pursuant to 25 O.S. § 307(B)(4), an Executive Session was proposed for the purpose of conducting confidential communications between the Commission and its attorneys concerning ongoing bankruptcy involving Seventy Seven Energy, a former self-insured.

The Commission's legal counsel advised that public disclosure of the communications relating to this bankruptcy would seriously impair the ability of the Commission and their counsel to take appropriate action related to the ongoing bankruptcy proceeding and protect the Commission's interest.

**Motion:** Chairman Gilliland moved to (a) determine that disclosure will seriously impair the ability of the commission to take appropriate action in the ongoing

bankruptcy proceeding and protect the Commission's interest and (b) vote to go into Executive Session.

**Second:** Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

**b. Vote to Reconvene in Open Session**

**Motion:** Chairman Gilliland moved to reconvene the public meeting in Open Session.

**Second:** Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

No action was taken with regard to the discussion in Executive Session under § 307(B)(4).

**Announcements**

The next Regular Meeting of the Commission is scheduled for Thursday, July 14, 2016.

**Adjournment**

**Motion:** Chairman Gilliland moved to adjourn.

**Second:** Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Young, and Chairman Gilliland.

**The motion carried.**

Chairman Gilliland announced the meeting was adjourned.